IN THE

United States Circuit Court of Appeals

FOR THE NINTH CIRCUIT

POMONA FRUIT GROWERS' EXCHANGE,
Appellant,

vs.

FRED STEBLER,
Appellee.

Appeal Case No. 2792

Reply Brief to Appellee's Memorandum Brief

N. A. ACKER,
Counsel for Appellant

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APPELLANT'S REPLY BRIEF.

By permission of the Court, we present herewith reply to the memorandum brief filed by the Appellee since the oral argument of the above appeal case and companion appeal case No. 2793.

Counsel for Appellee now relies on the recently decided case of the *American Caramel Co.* vs. *White,* 234 Fed. 328-334, to support the contention that costs should be allowed appellee in connection with the dismissed cases involved in the present appeals. However, counsel has failed to note the distinction existing between said reported case and the appealed cases under submission.

American Caramel Co. vs. *White, supra,* presents a case wherein full proofs were taken and final hearing had thereon and decision rendered on the testimony presented relative to the question of infringement and validity of the letters patent. The lower court held the claims of the letters patent in suit invalid and dismissed the bill of complaint. On appeal, the decision of the lower court was reversed. Pending decision on appeal the letters patent expired, but such expiration of the said letters patent did not take away the right of recovery as to the profits and damages which had accrued, if any, during the infringing period. Inasmuch as at the time of the commencement of the suit the Complainant was entitled to an injunction on the establishment of validity of the letters patent and infringement, equity had jurisdiction of the case and on final decree complainant was entitled to costs of suit, together with recovery of profits and damages under an accounting to be had. Even had an accounting been waived, complainant was entitled to cost of suit after final hearing.

In the case of *American Caramel Co.* vs. *White* the failure to recover damages and profits was not occasioned by a *voluntary dismissal* of the suit, neither was the allowance of costs based on a *voluntary dismissal.* On the contrary, there was no voluntary dismissal of suit, for there was a final hearing on full proofs taken, an appeal, decision holding validity of the letters patent and infringement thereof. However, the proofs failed to support the allegations of the bill as to the patented article

having been marked with the words "Patented," together with the date of the letters patent as alleged in the Bill of Complaint, and on Petition for Modification of Decree, it was held that due to such lack of proof an accounting was unnecessary and, as the letters patent had expired *pendente lite,* the Bill of Complaint was dismissed. Such dismissal did not deprive complainant of its right to recover costs of suit.

In said case costs were not allowed merely because the complainant's right to an injunction had been sustained, for the injunctive feature was only incidental to equity jurisdiction. The use of the expression "right to an injunction" in the decision of said case, was simply expressive of the fact that where a final hearing had been had and defendant to said suit held to have infringed, and complainant entitled to an injunction, costs, and what other relief it is entitled to, should follow. Every essential requisite to the determination of a patent controversy was present, the absence of a recovery being solely due to the failure by proof to support the allegation of the Bill of Complaint as to the marking of the article with words "Patented" together with the date and year of the letters patent, which failure of proof was fatal to a recovery as to damages and profits, in the absence of proof as to other notice to the defendant.

In the present appeal cases there were no final hearings, the Bills of Complaint were voluntarily dismissed by the complainant, and against the protest of defendant that they be dismissed on motions

of Complainant, and furthermore no necessity existed for the filing of said Bills of Complaint.

The cases involved herein differ in every essential from the case of *American Caramel Co.* vs. *White,* and we fail to find in the decision of said cited case any expression sustaining the contention of the appellee herein.

In printed brief on file herein, and in the oral argument, counsel for appellee stated that we admitted in the lower Court the right of complainant to file the Bills of Complaint. Evidently, counsel must have misunderstood what was stated to the lower Court, for it has always been our position that these suits and the companion forty-two suits should not have been permitted to be filed, and we so contended before this Court in connection with appeal case No. 2394, and equally so in connection with the present appeals.

Counsel for appellee has been unable to cite a single decision wherein costs have been allowed on a *voluntary* dismissal of the Bill of Complaint by the Complainant, even where the bill was filed against an infringing manufacturer. To allow costs under the circumstances presented in our appeal, would be inequitable and result in penalizing the defendant for an unnecessary act wilfully done by the complainant.

Respectfully submitted,

N. A. Acker,

Solicitor and Counsel for Appellant.